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RUEHBY/AMEMBASSY CANBERRA 1994
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C O N F I D E N T I A L SECTION 01 OF 02 SINGAPORE 001930

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E.O. 12958: DECL: 10/18/2017

TAGS: [PGOV](#) [PHUM](#) [EFIN](#) [SN](#)

SUBJECT: FOREIGN MEDIA CAVES TO LEE FAMILY INC. DEFAMATION
CLUB, AGAIN

Classified By: Ambassador Patricia L. Herbold. Reason 1.4 (d)

11. (C) The Lee family has once again wielded its defamation club to deal with criticism, real or inferred. On October 18, local media reported that the Financial Times (FT) newspaper had apologized and paid damages to Prime Minister Lee Hsien Loong, Minister Mentor Lee Kuan Yew, and Temasek CEO Ho Ching for a September 29 article on sovereign wealth funds that allegedly accused them of nepotism. (The relevant section of the FT article is in para 3 below and the full text of the FT apology from its website is in para 4.) The Lee family has sued or threatened to sue multiple foreign news agencies for defamation in recent years, including the Far Eastern Economic Review, the Economist, and Bloomberg.

12. (C) Comment: The Lee family is hyper-sensitive to any implication of nepotism and sticking to the facts offers no protection. The FT article actually never used the word nepotism, but made a series of factual observations (i.e. PM Lee is the son of MM Lee, Ho Ching is PM Lee's wife). Given the long winning streak PM Lee and MM Lee have had in the Singapore courts on defamation cases, the FT probably decided it was easier to pay up now rather than later. End Comment.

13. (U) September 29 FT article "Sovereign funds try to put on an acceptable face":

Begin Article Exerpt:

On the subject of sovereign wealth funds, there seems to be a whole lot of lovin' going on with the Temasek family.

DBS Bank, whose biggest shareholder is Temasek, this week surprised many by announcing that US-born Jackson Tai would step down towards the end of the year. Mr. Tai was said to be keen to "spend more time with his family."

Last week Jimmy Phoon, Temasek's chief investment officer, announced he was leaving "to take a break and spend some time with the family.

Perhaps we shouldn't be surprised at the reasons. Singapore, after all, is built on strong family values. Lee Kuan Yew, founding father of the city-state, must be proud to see Lee Hsien Loong, his son, occupy the role of prime minister.

Mr. Lee (Jnr) himself will be pleased Ho Ching, his wife, has helped turn round the performance of Temasek after being appointed chief executive in 2002.

The rumor mill now suggests Lee Hsien Yang, the younger

brother, could replace Mr. Tai at DBS. The younger Mr. Lee earned his spurs as chief executive of SingTel, also part of the Temasek firmament.

End Article Exerpt.

¶4. (U) FT Apology published on-line on October 17.

Begin Text of Apology:

¶1. In the September 29, 2007 issue of the FT Weekend, we published an article (The "Article") entitled "Sovereign funds try to put on an acceptable face". The Article was also available online without payment on our website, www.ft.com. 2. We recognise that the Article meant or was understood to mean: that Minister Mentor Lee Kuan Yew secured, or was instrumental in securing, the appointment of his son, Mr. Lee Hsien Loong, as prime minister, for nepotistic motives; that Prime Minister Lee Hsien Loong secured, or was instrumental in securing, the appointment of his wife, Ms. Ho Ching, as the chief executive officer of Temasek Holdings (Private) Limited for nepotistic motives; and, that Ms. Ho Ching is promoting her brother-in-law Lee Hsien Yang's interests by securing or helping to secure his appointment as Mr. Jackson Tai's replacement at DBS Bank for nepotistic motives. 3. We admit and acknowledge that these allegations are false and completely without foundation. We unreservedly apologise to Prime Minister Lee Hsien Loong, Minister Mentor Lee Kuan Yew and Ms. Ho Ching for the distress and embarrassment caused to them by these allegations. We undertake not to make any further allegations to the same or similar effect. 4. We have agreed to pay Prime Minister Lee Hsien Loong, Minister Mentor Lee Kuan Yew and Ms. Ho Ching damages, by way of compensation,

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and costs incurred by them in connection with this matter.

End Text of Apology.

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